

HEALTH REFORM

INSURED PLAN FACT SHEET

DEPENDENT COVERAGE

Effective July 1, 2010, AultCare responded to federal requests for early adoption of dependent coverage up to age 26 (through age 25). Coverage is available to dependents regardless of where they reside, their marital status, or employment status.

In addition to federal reforms, Ohio House Bill 1 became effective July 1, 2010. It requires coverage be available to dependents up to age 28 (through age 27) and is applicable to insured plans as well as self-funded public employer plans. To be eligible, the dependent must be unmarried, have no other available coverage, and be an Ohio resident or a full-time student. The cost of adding adult children who are over age 26 onto the plan is taxable to the employee.

How do these two regulations coordinate? Federal law takes priority up to age 26 and Ohio law applies for ages 26 and 27.

Dependents who have previously aged off the plan must be offered an open enrollment opportunity at the next plan renewal.

LIFETIME AND ANNUAL MAXIMUMS

The Patient Protection and Affordable Care Act (PPACA) prohibits a Lifetime Maximum and incorporates statutory limits on Annual Maximums for “Essential Benefits” (currently undefined). Generally, plans that currently contain a lifetime maximum of \$1,000,000 or \$2,000,000 will convert to an annual maximum equivalent to their current lifetime maximum. The law requires that plans have an annual maximum of at least:

- \$750,000 beginning with Plan Years effective on or after September 23, 2010 through 2011
- \$1,250,000 in 2012
- \$2,000,000 in 2013
- No Annual Maximums beginning in 2014

A new enrollment opportunity must be given to any plan participant that was terminated from the Plan because he/she reached the lifetime maximum.

LIMITATION ON OVER-THE-COUNTER REIMBURSEMENTS

Effective January 1, 2011, over-the-counter medicines are not eligible for reimbursement under an FSA, HSA or HRA unless the medicine is “prescribed” (whether or not a prescription is required to obtain the drug). This limitation does not apply to other eligible over-the counter-medical items such as bandages or contact lens solutions. This change is important information that should be communicated to enrollees as your open enrollment approaches.

BENEFIT ENHANCEMENTS

Our employer clients continue to rank the cost of the health plan as the primary factor in choosing or changing health plans. Therefore, AultCare will adopt all PPACA near-term requirements for all insured plans at your next renewal.

THIS WILL ALLOW YOU TO MAKE ANY OF THE FOLLOWING PLAN CHANGES - TO SAVE MONEY - WITHOUT WORRY:

- Reducing Benefits
- Lowering Employer Contributions by more than 5%
- Raising Deductibles, Co-Pays or Coinsurance beyond the allowed amounts
- Adding or reducing annual limits

THE ENHANCEMENTS TO YOUR BENEFITS, THAT YOU WILL SEE AT NEXT RENEWAL, INCLUDE:

- no pre-existing exclusions for children under age 19
- restrictions on rescissions
- no lifetime dollar limits
- “restricted” annual limits
- preventive services (in network) provided with no co-share